

Colstrip Community Impact Advisory Group  
Colstrip City Council Chambers  
Tuesday, May 15, 2018

Present:

Adam Schafer, Governor's Office (co-chair)	Jim Atchison, SEMDC
Jon Bennion, Attorney General Office (co-chair)	Galen Hollenbaugh, DLI
Janet Kelly, Puget Sound Energy	Stacey Yates, Business Manager IBEW 1638
John Williams, Mayor of the City of Colstrip	Wally McRae, Colstrip area rancher
Pam Haxby-Cote, Dept of Commerce	Chris Dorrington, DEQ
Doug Martens, Rosebud County Commissioner	Senator Duane Ankney
Jason Small, State Senator & President of Boilermakers	

The meeting was called to order by co-chair Adam Schafer at 9:15 am.

Minutes of the April 14, 2018 meeting were approved with the following correction: On Page Four, the second proposal from Jim Atchison of SEMDC should be \$400,000 instead of \$900,000. Motion carried with all in favor.

Adam Schafer reviewed the agenda and goals of the meeting.

Potential and Current Impacts to the Colstrip School District

Bob Lewandowski, Superintendent of the Colstrip School District, addressed the impacts to the Colstrip School District. He explained Colstrip's economic uncertainty is already affecting the school district. He reported the 2017 Montana Legislature created coal mitigation block grants to offset the impacts to the Colstrip School District in an amount of \$1.7 million per year. Those funds are imperative to the operation of the school district. The local mill levy election barely passed this year for both the elementary and high school districts. The school district has \$2 million in deferred maintenance needs.

- Chris Dorrington asked about enrollment and annual operating budget. Mr. Lewandowski reported enrollment is down 25 students and is currently 574. Chris also asked if the levy included the \$2 million for deferred maintenance. Mr. Lewandowski responded it did not. The school is looking at combining the high school and middle school due to the enrollment numbers and cost of facility maintenance.

Potential and Current Impacts to the Colstrip Medical Center

John Poole, Administrator of the Colstrip Medical Center, reviewed the history of the medical center, the creation of the medical district and the services they provide. 93% of the taxes levied to help support the medical center comes from the power plant. Recently the medical center opened a tele-pharmacy. Currently the medical center is having a nightmare recruiting nurses. 40% of the current staff does not live in Colstrip. The number one reason employees leave the clinic is the after-hour calls and staffing is challenging. He believes infrastructure is the key to continue to be able to provide services.

- Wally McRae asked about the ambulance service. Mr. Poole explained the ambulance is owned by Rosebud County and operated by local volunteers. Previously the ambulance service was staffed by 14 volunteers but now is down to only 5.
- Galen Hollenbaugh asked about on the job training or apprenticeship programs. Mr. Poole explained they currently have a lab technician attending college at Miles Community College.
- Pam Haxby-Cote asked about infrastructure needs. Mr. Poole explained those needs are digital radiology, a generator and heat pumps.

### Housing Market Impacts

Pam Haxby-Cote of the Department of Commerce introduced Administrator Jennifer Olson of the Community Development Division and Administrator Bruce Brensdaal of the Housing Division who gave a presentation on housing impacts due to loss of population from the closure of units 1 and 2 and possible solutions. The department is recommending the CCCIAG allocate 25% or \$2.5 million for the following:

1. A Colstrip Stabilization Program would be to address vacant, abandoned or foreclosed housing by purchasing, rehabilitating and reselling the home.
  2. A Coal Area Community Land Trust places land in a trust, while the home or structure is sold to a buyer. The land continues to belong to the trust but the structure is sold and the land is leased to the buyer at a very low rate.
  3. Coal Impact Area Home Preservation to provide funding to maintain affordability for residents who have reduced income. Some of the ways the funds provide existing homeowners with support are a soft second mortgage at 0% interest, bringing a mortgage current, and down payment and closing costs to refinance an existing mortgage.
- Jim Atchison feels these are three excellent possible solutions to help Colstrip. He asked about existing community land trusts in eastern Montana. Jennifer explained that information would need to come from the Montana Land Trust.
  - Chris Dorrington asked what the costs are of running a community land trust. Jennifer isn't sure and would need to talk to the community land trusts but it typically comes from a non-profit organization.
  - Galen Hollenbaugh asked if \$2.5 million is designed to be seed money or is that to match. Jennifer responded it could be either and there are other programs that could leverage that money. They are recommending the \$2.5 million be seed money. The Department of Commerce could help identify programs to leverage the money.

### Benefits of a Local Community Foundation

Mary Rutherford, President and Chief Executive Officer of the Montana Community Foundation, gave a presentation on the benefits of a local community foundation. She believes communities are best able to identify and solve local challenges. Community foundations are non-profit. She currently works with 50 local community foundations. Mary stressed that community participation is necessary and the MCF only assists the community in establishing and administering the fund. There is a Montana Charitable Endowment Tax Credit (METC) individuals qualify for a state tax credit in addition to a federal tax deduction

- Jennifer Anderson, Rosebud-Treasure County Extension Agent, explained how the Northern Rosebud County Endowment Fund was created ten years ago and how it works. She offered MSU-Extension Services to help create a fund.

### Ash Pond Cleanup

Bret Bowen of IBEW Local 1638 and Kate French of the Northern Plains Resource Council gave a presentation on ash pond cleanup. Bret feels the existing workforce can handle cleanup instead of bringing in an outside contractor. IBEW and NPRC conducted a Coal Ash and Cleanup Jobs Study in partnership and looked at whether the existing workforce can be hired to do the cleanup work. Kate French explained the study and findings. She compared excavation vs. cap-in-place cleanup. NPRC prefers the excavation process with water treatment. The number of jobs created will depend on the type of cleanup method used.

- Senator Duane Ankney asked Gordon Criswell to respond. Mr. Criswell, Environmental Director for Talen Energy, responded Talen is working with Montana Department of Environmental Quality on a cleanup plan in a manner that provides protection for human health and the environment so that they appropriately cleanup the impact.
- Mayor Williams reiterated that the drinking water supply in Colstrip is safe, quality drinking water and has never been threatened by the ash ponds. The water comes from the Yellowstone River and is treated by the City of Colstrip.
- Wally McRae stated there is a lot of problems outside the city limits due to the leaking coal ash ponds. Three ranches have been affected with one ranch having to sell out. He feels the ash ponds have to be completely sealed or the best possible effort needs to be implemented.
- Kate French explained they want to keep cleanup in the forefront and to hire the local workforce to handle the cleanup regardless of the method chosen.

### Senator Duane Ankney – Setting the Table for Discussion on Goals and Work Group Plan

Senator Ankney stated the CCIAG needs to start narrowing down what the \$10 million is going to be used for. He feels the land transfer brought up by the City of Colstrip is a separate issue.

A lunch break was taken from 11:45 am – 1:00 pm. The meeting reconvened at 1:03 pm.

### Work Group Discussion

Cindy Winland of the Just Transition Fund helped facilitate discussion by the CCIAG. The Community Transition Plan should consist of Goals & Objectives, Priorities and Timing, Fiduciary Responsibility. Not all of the objectives proposed will use the settlement funds. Four categories were identified and discussed:

- Cash
  - a. Economic Development (revolving loan fund & feasibility study)
  - b. Infrastructure
  - c. School Grant
  - d. Fiduciary
  - e. Workers and their Families (health insurance and services, job loss expenses)
  - f. Medical Services
- Leveraged
  - a. Community Foundation
  - b. Housing
  - c. Diversification Strategy
  - d. Grants (federal, state and local)
  - e. 7 Agencies in POWER Initiative
  - f. Infrastructure
  - g. Job Retraining Funding

- h. Mainstream Program
- i. Critical Medical Services
- Concerns
  - a. Definition of Community
  - b. Identifying Fiduciary
  - c. Infrastructure
  - d. Short vs. Long Term Needs
- Other
  - a. Land Acquisition
  - b. Water Rights/Control
  - c. Remediation
  - d. Fiduciary
  - e. Dislocated Workers

Stacey Yates commented he wants to get the ball rolling for the workers and their families. He feels the discussion facilitated by Cindy Winland was helpful.

Mayor John Williams presented a letter that was drafted based on the motion approved at the last CCIAG meeting. Panel members took a few minutes to read the letter. John Williams moved to forward the letter to Talen Energy regarding land transfer, raw water, water rights, and utility district formation options. Wally McRae seconded the motion. Discussion: Jon Bennion asked what steps have been taken by the City to communicate with the power plant owners. John reported discussions have taken place through SEMDC but nothing has happened. This panel gives the City some leverage to move the process forward. It is not Mayor Williams' intention to have any of the \$10 million go towards the proposals in the letter. Chris Dorrington asked if the letter should be addressed to Talen Energy or all of the power plant owners and to make the statement stronger as to a response to the letter. Duane doesn't feel this letter is within the CCIAG's scope although he does agree with the proposals it contains. Adam Schafer feels maybe this would be better left to the Colstrip City Council. Wally McRae made a substitute motion that the CCIAG endorse the letter but not be the originator of the letter. John Williams seconded the motion. Motion carried with all in favor.

The next meeting of the CCIAG will be June 29<sup>th</sup> in Colstrip.

#### Public Comment

Joe Navasio still feels the settlement money should be put away. He also feels if there would have been this amount of support for Senator Ankney's bill during the last legislative session, maybe this committee would not have been needed. He stated the community needs help from the Governor and needs jobs, not advice. He thanked the CCIAG for being here and helping.

Al Ekblad, Montana AFL-CIO, feels there is not enough money available through the POWER Grant for training and retraining. There is a huge shortfall of federal dollars for training workers. He asked if 700 workers and their families lose their health care coverage, how long will the medical center last. He also commented on the pensions that will not be fulfilled for those within early retirement periods or close to retirement.

Jon Bennion moved to adjourn the meeting. The meeting adjourned at 2:35 pm.